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Attorneys for Plaintiff
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDNAV INTERNATIONAL LTD.,

Plaintiff,

v.

SUNWOO MERCHANT MARINE CO.
LTD.,

Defendant.

07 Civ. 3886 (DC)

ANSWER TO COUNTERCLAIM

ANSWER TO COUNTERCLAIM

Plaintiff Fednav International Ltd. ("Fednav") for its answer to Defendant's Counterclaims dated June 4, 2007 ("Counterclaim") alleges upon information and belief as follows:

1. Admits the allegations in paragraph 20 of the Counterclaim.
2. Admits the allegations in paragraph 21 of the Counterclaim.
3. Paragraph 22 is a recital paragraph that need not be admitted or denied.
4. Denies the allegations in paragraph 23 of the Counterclaim.
5. Denies Fednav repudiated or breached the subject charter and denies

knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 24 of the Counterclaim.

6. Admits that Fednav's claim and Defendant's counterclaim both arise under the subject charter and are therefore subject to resolution in London arbitration but denies that Defendant has reasonably estimated at \$300,000 its costs of asserting its claim for approximately \$92,289 and further denies that the estimated legal and/or arbitral costs of defending a claim gives rise to a "counterclaim" within the meaning of Admiralty Rule E(7) for which countersecurity can be demanded as alleged in paragraph 25 of the Counterclaim.

7. Admits interest is awarded in London arbitration but otherwise denies the allegations in paragraph 26 of the Counterclaim.

8. Admits that Fednav has attached Defendant's assets but otherwise denies the allegations in paragraph 27 of the Counterclaim as aforesaid.

AFFIRMATIVE DEFENSES

9. Repeats and realleges paragraphs 1 through 8 as if set forth in full herein.

10. Defendant's Counterclaim is subject to London arbitration.

11. Defendant has no valid counterclaim arising from the Charter for its alleged legal costs of \$300,000 in defending Fednav's claim for which countersecurity may be awarded pursuant to Supplemental Admiralty Rule E(7).

12. Defendant has failed to itemize its alleged costs in prosecuting its counterclaim in London arbitration so that any countersecurity under Supplemental Rule E(7) should be limited to \$92,289.35 plus interest thereon of \$22,149.44.

Dated: New York, New York
June 26, 2007

Respectfully submitted,
BLANK ROME LLP
Attorneys for Plaintiff
FEDNAV INTERNATIONAL LTD.

By: Jeremy J.O. Harwood
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AFFIDAVIT OF SERVICE BY E-MAIL

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

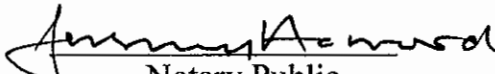
The undersigned being duly sworn, deposes and says:

That deponent is not a party to the action, is over 18 years of age. That on June 26, 2007 she caused to be served by e-mail the within ANSWER TO COUNTERCLAIM upon:

Armond M. Paré, Jr.
Nourse & Bowles, LLP
One Exchange Plaza
At 55 Broadway
New York, NY 10006-3030
E-mail: jpare@nb-ny.com


Shanda McMillan

Sworn to before me this
26 day of June, 2007


Notary Public

JEREMY J. O. HARWOOD
Notary Public, State of New York
No 31-4972021
Qualified in New York County
Commission Expires Sept. 17, 2017